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News Release ~ Communiqué

Government asks CRTC to develop fair cable access

OTTAWA, March 14, 1995 Canadian Heritage Minister Michel Dupuy today announced that the Government is formally requesting the Canadian Radio-television and Telecommunications Commission (CRTC) to develop proposals for fair and equitable access to cable television systems for service providers other than the cable companies themselves. The CRTC has been asked to report by July 31, 1995. These proposed rules will be subject to public consultations before they are implemented.

"A number of Canadians have petitioned the Government to ensure that cable companies do not discriminate against others wanting access to cable systems in order to offer services to Canadians. We have listened, and now we are acting decisively," Mr. Dupuy said. "We believe that such an access is vital to ensure that all Canadians can participate fully in the information highway, without discrimination or unfair advantage."

"The Government fully agrees with the petitioners with respect to the need for equitable access for all services, and not only for those selected or controlled by the cable operator," the Minister said. "While the cable industry has taken steps to develop its own set of access rules, the Government wishes to accelerate progress on this issue."

The Government received the petitions following the acquisition of Maclean Hunter Limited's broadcasting facilities by Rogers Communications Incorporated. Under the Broadcasting Act, the Government has no power to set aside, refer back, or uphold the main CRTC decision that approved the transfer of Maclean Hunter shares to Rogers.

In addition to seeking access for programming service providers under the Broadcasting Act, the petitioners raised other issues such as access to cable television systems for providers of telecommunications services. The Minister noted that these issues would be dealt with in the context of the Telecommunications Act and that the Canadian Daily Newspaper Association has taken the appropriate course of action by asking the CRTC to address this matter within its powers under the Telecommunications Act.

Mr. Dupuy also noted that a number of the issues raised by the petitioners will be addressed at the current CRTC public hearing on the Information Highway, which is being held at the Government's request. Both the report from that hearing and the initiative on access will help meet the Government's goals of fair and sustainable competition, greater consumer choice, and support for the production, exhibition and distribution of quality Canadian programming.

A backgrounder providing additional information is attached.

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BACKGROUNDER

Rogers Communications Inc. acquired Maclean Hunter Limited in March 1994 subject to review by the Bureau of Competition Policy and approval by the Canadian Radio- television and Telecommunications Commission (CRTC) of the acquisition of Maclean Hunter's broadcasting undertakings.

The overall $3.1 billion transaction was of major significance in view of the extensive holdings of Rogers in broadcasting and telecommunications, and of Maclean Hunter in broadcasting and its ownership of newspapers and magazines.

The Director of Investigation and Research of the Bureau of Competition Policy indicated on December 14, 1994, that he would not challenge the proposed transaction. In a set of decisions announced December 19, 1994, the CRTC approved, subject to certain conditions, Rogers' acquisition of the Maclean Hunter broadcasting subsidiaries (worth close to $1 billion).

Section 28 of the Broadcasting Act provides a 90-day appeal period for CRTC decisions that issue, amend or renew a broadcasting licence. During the appeal period, the Federal Government received several petitions requesting that the acquisition be denied.

A CRTC decision that approves the transfer of shares of a licensee company is not a decision to issue, amend or renew a broadcasting licence, and the Governor in Council has no power to set it aside, refer it back, or uphold it. This means the Governor in Council has no power to amend or overturn the CRTC's main decision approving the transfer of Maclean Hunter shares to Rogers.

While the Governor in Council is unable to set aside or refer back the transfer of Maclean Hunter shares to Rogers, Section 15 of the Broadcasting Act does provide the authority to ensure that the critical issue of access to cable distribution will be adequately addressed.

Under Section 15, the Governor in Council today requested the CRTC to report to the Government by July 31, 1995, on: (1) the rules the CRTC proposes to ensure that all programming services have fair and equitable access to carriage by broadcasting distribution undertakings (e.g. cable television systems); and (2) the method the CRTC proposes for ensuring that all Canadians will have an opportunity to comment on the proposed rules and have these comments considered before the rules become final.

In response to a CRTC request first made two years ago, the Canadian Cable Television Association (CCTA) developed its Access Commitment to the carriage of licensed specialty and pay television services and this was accepted by the CRTC in May 1994.

The CCTA began, on January 13, 1995, its process to develop access guidelines for programming services that the CRTC has exempted from the need for a broadcasting licence (e.g. classified advertising channel, such as real estate).

The request made to the CRTC today will help ensure that all concerned parties, including the Canadian public, will have the opportunity to contribute to the development of the access rules, thereby ensuring fair and equitable access to cable distribution.

Larger questions, dealing with the convergence of information technologies, competition, access and how to promote Canadian content in a multi-channel universe, are being studied in a number of forums. These include the CRTC's public consultations on the development of the Information Highway, a review of direct-to-home satellite broadcasting, studies on the role of private broadcasting and alternative programming, a House of Commons Standing Committee review of CBC funding, and a review of the mandates of the CBC, the National Film Board and Telefilm Canada.

These reviews will lead to the formation of a comprehensive broadcasting and telecommunications policy.